
TOO GOOD TO BE TRUE....

A Column on Consumer Issues

by Attorney General Wayne Stenehjem's
Consumer Protection and Antitrust Division

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Free Trial Offers

Most people know that you can't get something for nothing, but then the perfect offer comes along and common sense goes right out the window. Free trial offers are used by many companies to sell products such as cd's, books, pills, exercise equipment, magazines or Internet access. Trial offers can be a great way to try out new products or services without making a long-term commitment. However, you should be aware that by accepting a free trial offer, you might be agreeing to buy additional products and services if you do not cancel within a specified period of time.

Before you accept a free trial offer, be sure you know what your obligations will be. Do you have to contact the company to cancel during the trial period to avoid receiving additional goods and services that you will cost you extra? If you accept the free trial offer, will you be enrolled in a membership of some type that will be difficult to cancel or that you may be billed for at a later date? If it is "free" why are they asking you for your credit card number?

Pay close attention to the "material" terms advertisers use. These material terms may include:

- how much time you have to cancel before you incur charges;
- the fact that by accepting the trial offer, you are actually agreeing to be enrolled in a membership, subscription or service contract or agreeing to pay for additional products and services if you do not cancel within the trial period;
- the cost or range of costs of goods or services you will receive if you do not cancel during the trial period;
- how to cancel during the trial period;
- whether you will be charged a non-refundable membership fee if you do not cancel within the trial period; and,
- whether fees will be charged automatically to the credit card you used to buy other goods or services.

Trial offers are promoted in various ways such as newspaper or magazine ads, TV and radio commercials, direct mail and the phone or Internet. To protect yourself, read the entire offer carefully before you decide whether it is a good deal for you. If you do not understand the details, ask questions. Never give into pressure to agree to a deal.

Here is an example of a free trial offer North Dakota consumers are currently seeing:

You see an ad on the TV or Internet or hear an ad on the radio for a new diet pill. The ad states that it's a "free trial"; all you have to pay is the shipping and handling. What you may not realize is that according to the company's terms and conditions, you will be automatically signed up for their "autoship" program. The autoship program is their way of making sure that you, the customer, never run out of their product. Within 14 days of your order, you will automatically receive another shipment of their product and they will automatically charge your account. They will continue this practice every 30 or 60 days unless you cancel the autoship program. It is your responsibility to cancel the autoship program within the trial period of 14 days. Always review the terms and conditions before placing an order.

If you decide to participate in a free trial offer, be sure you can answer the following questions first:

1. Is the free trial offer related to a membership, subscription or extended service contract?
2. Do I have to contact the company to avoid receiving more merchandise or services?
3. Whom do I contact to cancel?
4. Will I receive other products with the free item? If so, will I have to pay for them or send them back if I do not want them? How long do I have to decide before incurring a charge?
5. Is there a membership fee? If so, is it refundable?
6. Will you automatically bill my credit card for anything?
7. Who is offering the trial – you or another company? What is the name and address of the company?

If you have a problem with a trial offer, try to resolve it with the seller. Remember, ask as many questions as it takes for you to feel comfortable before participating in a free trial offer. If the company can't answer all your questions, you probably should not participate.

The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at www.ag.state.nd.us.

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